

Thornham Parish Council

Investment Report

Summary of Investment Options Considered

CCLA Public Sector Deposit Fund (PSDF)

- Fund size: approximately £1.2 billion+
- Net yield: 3.7207% (as at 27 May 2026)
- Structure: Qualifying Money Market Fund (QMMF) / Low Volatility Net Asset Value (LVNAV) fund
- Credit rating: AAmmf (Fitch), reaffirmed 6 February 2023
- Minimum initial investment: £25,000
- Access: Same-day withdrawals (subject to an 11:30am cut-off)
- Annual Management Charge (AMC):
 - 0.21% for investments below £1 million
 - 0.11% for investments of £1 million or more

Unity Trust Bank

- Easy Access Account: 1.95% gross
- 32-Day Notice Account: 2.10% gross

Redwood Bank

- 35-Day Notice Account: 3.49% gross

Hinckley & Rugby Building Society

- Easy Access Account: 1.65% gross
- 45-Day Notice Account: 1.90% gross

Key Considerations for Councillors

CCLA Public Sector Deposit Fund

The PSDF offers a significantly higher return than most traditional deposit accounts, together with professional fund management, daily liquidity and a strong AAmmf credit rating.

However, councillors should note that:

- The PSDF is an investment fund rather than a bank deposit account.
- Investments are not protected by the Financial Services Compensation Scheme (FSCS).
- Capital values are intended to remain stable but are not guaranteed.
- FSCS protection may only apply in limited circumstances relating to eligible claims against the fund manager, CCLA.

Further information regarding CCLA and the PSDF is included within the councillors' meeting pack under Item 14 Reports.

Notice and Easy Access Accounts

The notice and easy access accounts offered by Redwood Bank, Unity Trust Bank and Hinckley & Rugby Building Society provide conventional deposit arrangements and may offer FSCS protection, subject to the institution's eligibility and compensation limits. The Council should satisfy itself regarding the protection available before placing funds.

Liquidity Management

The Council maintains sufficient funds in instant access accounts with Barclays Current and Business Accounts to meet day-to-day operational requirements.

Recommended Resolution

It is proposed that the Council resolves:

1. To note the investment options presented, together with the associated risks and benefits.
2. To authorise the Responsible Financial Officer/Clerk, in accordance with the Council's adopted Investment Strategy and authorised signatory arrangements, to:
 - Invest up to £25,000 in the CCLA Public Sector Deposit Fund;

Governance and Regulatory Considerations

- The Council must have regard to the statutory guidance on local government investments and ensure that all investment decisions are prudent, proportionate and consistent with its adopted Investment Strategy.
- Security, liquidity and yield should be considered in that order of priority.
- All investment decisions should be properly recorded in Council minutes and incorporated within the Council's financial management, reconciliation and reporting procedures.
- Investment balances should continue to be reported as part of the Council's regular financial monitoring arrangements.